

EXECUTIVE SUMMARY

■ **POPULATION** – Raleigh's population as of July 1, 2005 is 342,194. Population growth of 13,314 persons in the period July 1, 2004 through July 1, 2005 represents a 4.04% annual increase. As of January 2005, population in Raleigh has increased over 23% since the last decennial census in April 2000, when Raleigh's population was measured at 276,093 persons.

■ **HOUSING UNITS** – Census 2000 reports show that as of Census day there were 120,699 housing units located in the City of Raleigh. Recent housing units estimate as of 7/1/05 show that there are 150,209 housing units in the City. Between April 2000 and June 30, 2005 there were 29,510 new units added to the City reflecting a 24.4% increase in housing units for this time period.

■ **RESIDENTIAL CONSTRUCTION** – During the first six months of 2005, 2,281 residential building permits representing 2,588 new residential units were issued in Raleigh's jurisdiction. Since Census 2000, an estimated 33,864 dwelling units have been permitted in the City of Raleigh.

■ **RALEIGH AND ETJ BUILDING ACTIVITY** – (New, privately owned construction) – In calendar year 2004 the value of new, privately owned building activity in Raleigh and the ETJ surpassed \$958 million. The value for new single family development during calendar year 2004 reached an all-time high exceeding year end totals for the past ten years. There was also an increase

in the dollar value of multi-family development in calendar year 2004 as compared to calendar year 2003

■ **TAX RATE** – Raleigh's property tax rate is the lowest of large cities in North Carolina and of other Wake County municipalities.

■ **TAX BASE** – Raleigh had a tax base of over \$31 billion in FY 2004-2005. The City's tax base is approximately 31% commercial and 69% residential.

■ **EMPLOYMENT** – Raleigh's unemployment rate of 4.4% through July of 2005 shows an improvement over its average annual unemployment rate of 4.7% in 2004.

■ **SALES PRICE BY UNIT TYPE** – The median sales price for detached units, townhouse units and condominium units in the City of Raleigh was up in calendar year 2004 over calendar year 2003. In calendar year 2004 the median sales price for detached units was \$179,000, for townhouse units \$137,000 and for condominium units \$122,000.

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Park & Greenway Projects Support Raleigh's Growth & Livability

As Raleigh continues to experience significant growth and development, the demand for additional park land and recreational facilities is expected to grow. In order to continue to provide quality leisure, recreation and cultural opportunities, facilities and environments that enhance the quality of lives for citizens and visitors, a number of new park and greenway improvement projects are underway. Funding for these improvement projects include annual capital improvement funds as well as park bond funds.

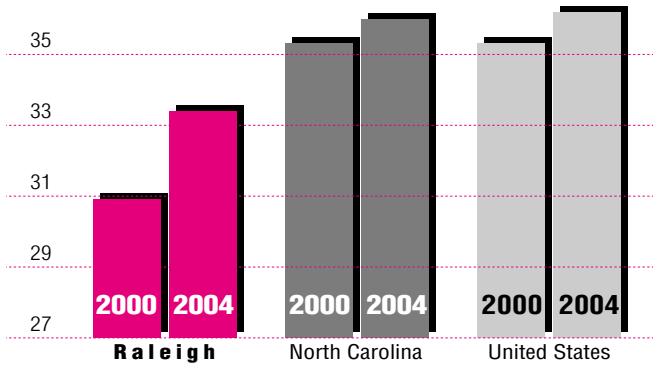
Major park projects recently completed or under construction:

- Buffalo Road Athletic Park – a play area, multipurpose field and running track, five ball fields for various age groups, a maintenance building, restrooms and parking have been completed. A trail and boardwalk through the woods and wetland are underway.
- Peach Road Neighborhood Center – Newly opened in March 2005, contains class- and community rooms, an office, restrooms, and kitchen.
- Worthdale Gym Addition – Completed in 2004, construction included expansion to a full-sized gymnasium, additional restroom space, storage areas, and a weight room. Improvements were made to the outdoor basketball courts, lighting, and paving.
- Baileywick Park – Site improvements include a playground, two lighted baseball fields, picnic pavilion, paved trails, restrooms, and parking adjacent to Baileywick Elementary school. Future development will include a community center, tennis courts, and basketball courts.

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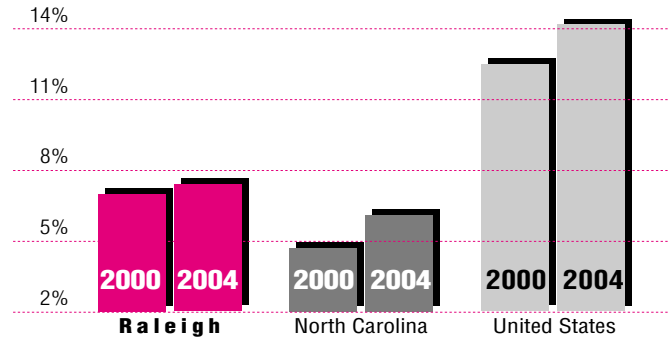
MEDIAN AGE — 2000 & 2004

The median age in Raleigh, North Carolina and the US has gradually increased from 2000 to year 2004. Raleigh had the greatest increase over the four year time period in the median age at 2.5 years but still holds a lower median age than the state or the nation.



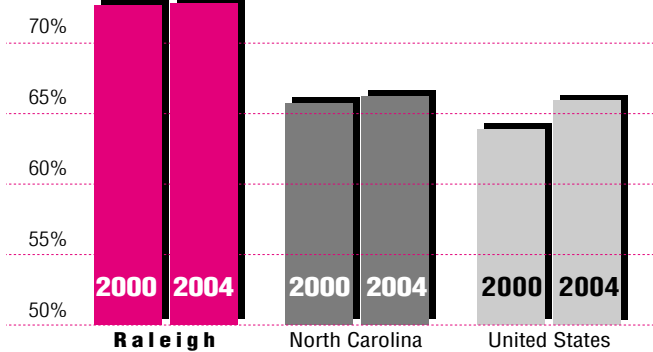
HISPANIC OR LATINO POPULATION — 2000 & 2004

Increases have occurred in the Hispanic or Latino population percentages between years 2000 and 2004 for Raleigh, NC and the US — further illustrating growing ethnic diversity in all three regions.



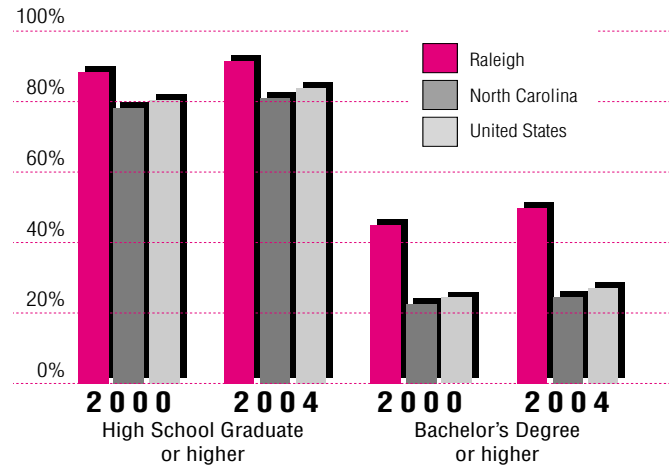
LABOR FORCE PARTICIPATION — 2000 & 2004

The labor force participation rate for Raleigh is higher than that of the state and the nation.



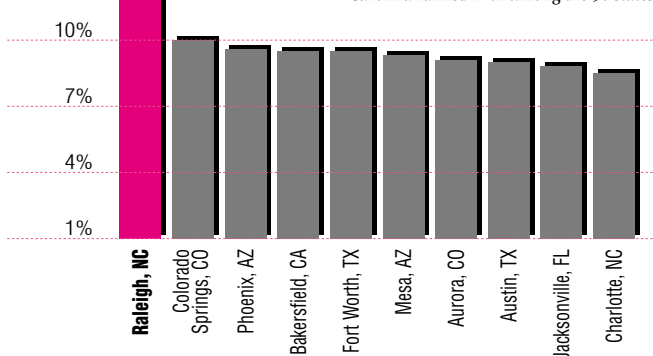
EDUCATIONAL ATTAINMENT — 2000 & 2004

Percentages for the number of people 25 years and over that were high school graduates or had a bachelor's degree or higher in Raleigh have remained higher than the percentages for both the state of NC and the nation.



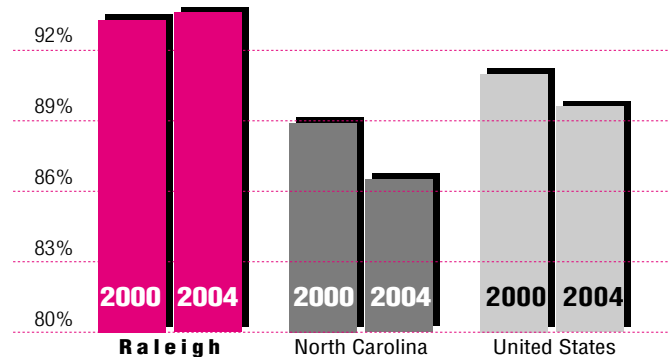
PERCENT OF HOUSING UNITS BUILT IN 2000 OR LATER

According to the 2004 America Community Survey the City of Raleigh ranked number 1 in the nation among comparable cities, at 16.7%, in the percentage of housing units that were built in year 2000 or later. Charlotte, NC ranked 10th at 9.5% in the percentage of housing units built in year 2000 or later. In the same category among leading comparable counties, Wake County ranked 10th in the nation and North Carolina ranked 12th among the 50 states.

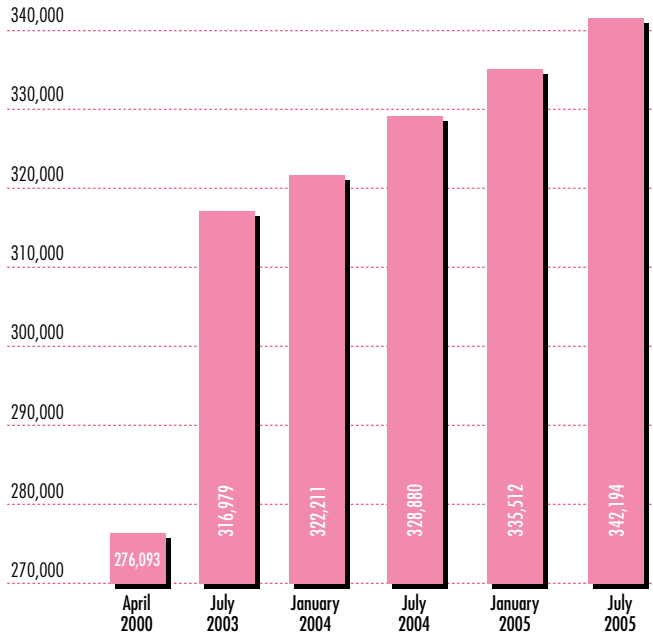


OCCUPIED HOUSING UNITS — 2000 & 2004

The percentage of occupied housing units increased in Raleigh from year 2000 to 2004, while percentages slightly decreased for North Carolina and the US over the same period.



RALEIGH POPULATION ESTIMATES



July 1, 2005 Population

Raleigh's estimated population on July 1, 2005 was 342,194. Growth in the period from January 1, 2005 to July 1, 2005 represents a 2% increase. Growth in the period from July 1, 2004 to July 1, 2005 represents a 4.04% increase.



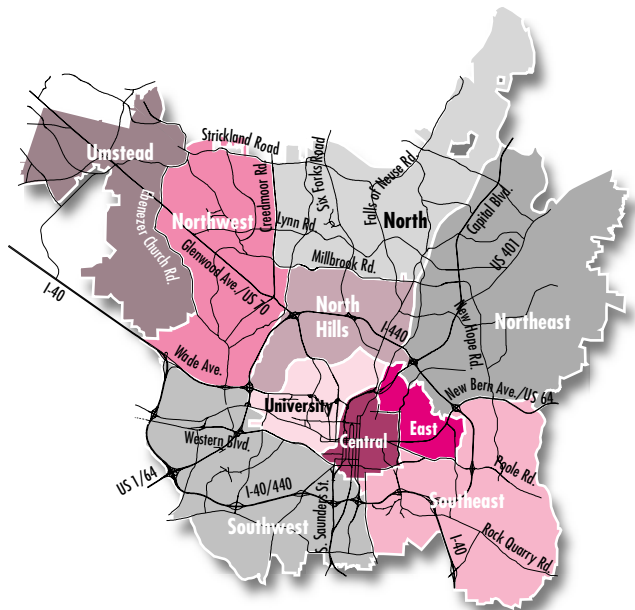
Hikers enjoy the trails near Forest Ridge Park where master planning is underway for this 586 acre Metro Park on the northeast side of Falls Lake.

Population Growth by Planning Districts

Planning District	4/1/2000 Population*	7/1/05 Population	Growth 4/1/00 to 7/1/05
Central	18,523	19,823	1,300
East	10,639	10,739	100
North	58,127	71,192	13,065
North Hills	26,081	28,135	2,054
Northeast	45,308	63,628	18,302
Northwest	41,631	50,088	8,457
Southeast	26,194	34,138	7,944
Southwest	40,652	49,954	9,302
Umstead	7,358	14,695	7,337
University	28,851	20,046	1,195
Total	303,364	372,438	69,074

*4/1/00 Population figures reflect redistribution of group quarters population to correct census block

RALEIGH PLANNING DISTRICTS



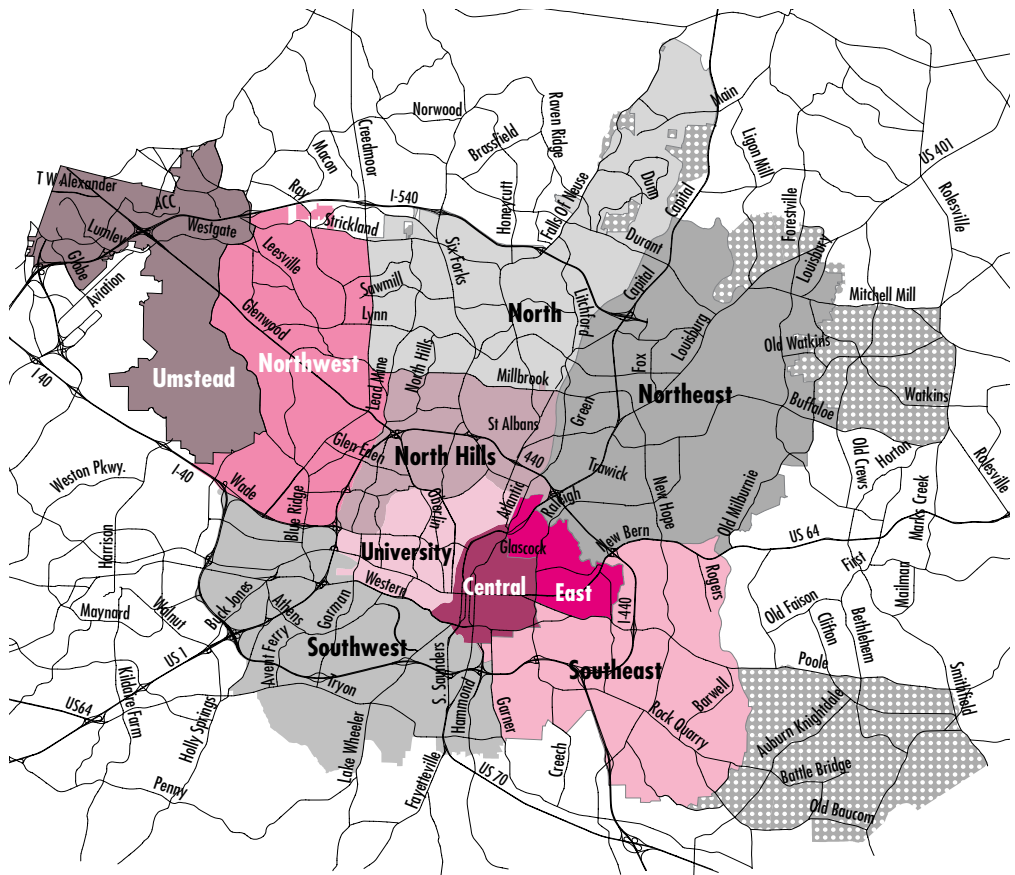
During the fall and winter of 2003, new population and dwelling unit projections were created for the Raleigh planning area. Between 2002 and 2030 population is projected to increase to 570,951 persons, a 55.9% increase over the 366,139 persons residing in Raleigh's planning area in 2002. The expected growth will increase the population density in Raleigh's 137,327 acre planning area from 2.67 persons/acre in 2002 to 4.6 persons/acre in 2030.

Source: CAMPO (Capital Area Metropolitan Planning Organization) socioeconomic data projections

**POPULATION DENSITY
PROJECTIONS FOR
RALEIGH PLANNING AREA
(2002-2030)**



	2002	2010	2020	2030	Growth 2002 to 2030	% Growth 2002 to 2030
Central	18,712	22,870	30,103	30,763	12,051	64.4%
East	10,488	11,104	13,243	13,488	3000	28.6%
North	59,404	66,020	74,197	81,334	21,930	36.9%
North Hills	26,648	27,181	28,750	30,681	4,033	15.1%
Northeast	63,745	78,959	96,949	123,068	59,323	91.1%
Northwest	43,516	49,571	53,181	57,133	13,617	31.3%
Southeast	34,010	37,344	53,356	75,799	41,789	122.9%
Southwest	68,315	71,229	78,512	87,589	19,274	28.2%
Umstead	10,452	23,334	26,370	26,463	16,011	153.2%
University	30,849	34,252	39,654	44,633	13,784	44.7%
Total	366,139	421,864	494,315	570,951	204,812	55.9%



**RALEIGH PLANNING DISTRICTS &
URBAN SERVICE AREAS**

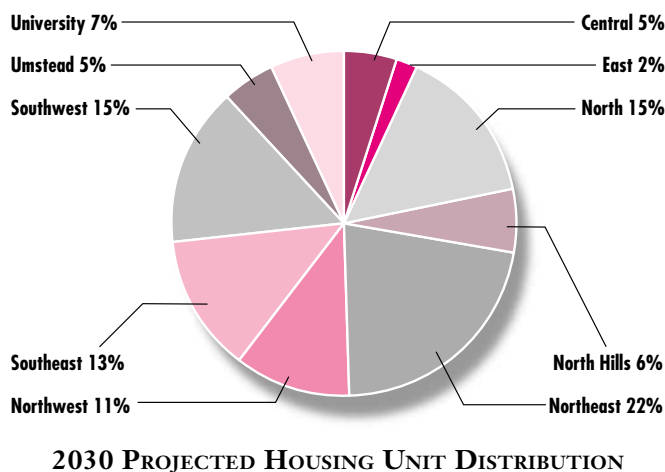
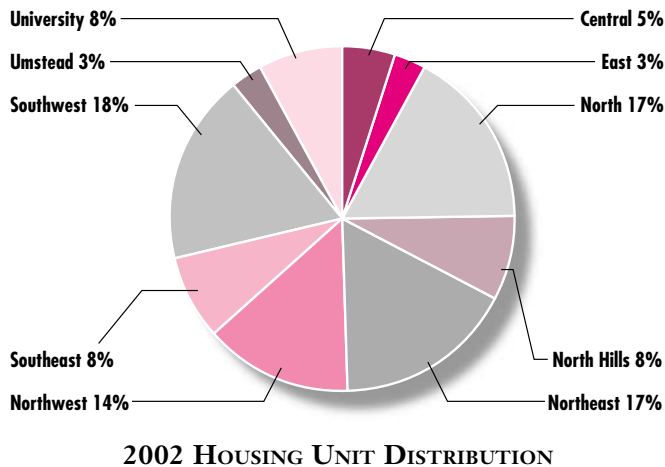
Housing Unit Estimates & Projections by Planning Districts (2002-2030)

	2002	2010	2020	2030	Growth 2002 to 2030	% Growth 2002 to 2030
Central	7,474	9,296	12,472	12,760	5,286	70.7%
East	4,391	4,659	5,599	5,706	1,315	29.9%
North	26,373	29,274	32,863	36,008	9,635	36.5%
North Hills	11,820	12,055	12,742	13,587	1,767	15.0%
Northeast	26,495	33,198	41,143	52,711	26,216	98.9%
Northwest	21,375	23,986	25,607	27,384	6,009	28.1%
Southeast	12,913	14,374	21,414	31,245	18,332	142.0%
Southwest	28,407	29,683	32,612	36,471	8,064	28.4%
Umstead	4,006	9,662	10,994	11,034	7,028	175.4%
University	12,120	13,071	15,447	18,154	6,034	49.8%
Total	155,374	179,260	210,901	245,062	89,688	57.7%

According to projections, by the year 2030, 245,062 housing units will be located within the Raleigh Planning Jurisdiction, with the Umstead, Southeast, Northeast, and Central planning areas experiencing the largest percentage increase in housing units.

Source: CAMPO (Capital Area Metropolitan Planning Organization) socioeconomic data projections

The recently completed House Creek Pedestrian Bridge and Trail project over I-440/Wade Ave. connects the NC Art Museum and Meredith College greenways.



During the Fiscal Year 2004-2005, retail sales in Raleigh were in excess of \$8.4 billion, up from \$7.8 billion in FY 2003-2004. Raleigh accounts for 58 percent of all retail sales in Wake County.

Source: NC Department of Revenue, Tax Research Division.

Raleigh Retail Sales				
Fiscal Year	Raleigh Retail Sales	% Annual Increase	Wake County Retail Sales	% Annual Increase
94-95	\$5,018,859,277	14.19%	\$7,649,497,482	14.80%
95-96	\$5,492,677,474	9.44%	\$8,440,787,375	10.34%
96-97	\$6,119,315,316	11.41%	\$9,669,935,586	14.56%
97-98	\$6,437,307,729	5.20%	\$10,318,839,601	6.70%
98-99	\$6,913,502,130	7.39%	\$11,535,941,927	11.79%
99-00	\$7,026,463,226	1.63%	\$11,613,684,026	0.67%
00-01	\$7,524,444,394	7.09%	\$12,546,177,149	8.03%
01-02	\$7,001,817,687	-7.31%	\$12,017,561,289	-4.40%
02-03	\$7,296,796,227	4.21%	\$12,401,936,497	3.19%
03-04	\$7,822,924,893	7.21%	\$13,420,476,707	8.21%
04-05	\$8,460,818,942	8.15%	\$14,611,287,767	8.87%

In 2004 North Carolina had per capita personal income (PCPI) of \$29,246. This PCPI was 88 percent of the national average of \$32,937. The 2004 NC PCPI reflected an increase of 1.0 percent from 2003.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System

Per Capita Income							
	1990	1999	2000	2001	2002	2003	2004
Wake County	\$20,658	\$35,759	\$36,581	\$36,870	\$35,515	\$35,864	n/a
Durham County	\$19,238	\$29,677	\$29,739	\$30,494	\$30,813	\$31,129	n/a
Orange County	\$19,857	\$28,581	\$29,773	\$30,238	\$33,375	\$34,182	n/a
Johnston County	\$15,773	\$22,988	\$24,212	\$24,620	\$25,502	\$25,790	n/a
North Carolina	\$16,262	\$26,417	\$26,882	\$27,308	\$27,785	\$28,077	\$29,246
United States	\$18,666	\$28,546	\$29,770	\$30,413	\$30,906	\$31,472	\$32,937

The Raleigh-Durham MSA has the highest median family income in North Carolina, surpassing the next highest region (Charlotte) by 13 percent or \$8000. Between 1990 and 2005 the Jacksonville MSA experienced the greatest percentage growth in median family income — 80.3 percent. The Raleigh-Durham MSA's median family income grew by 66.6 percent or \$27,900 between the years 1990 and 2005.

Median Family Income						
	1990	2002	2003	2004	2005*	% Growth 90-05
Asheville	\$30,500	\$49,000	\$49,600	\$49,700	\$49,700	62.9%
Charlotte-Gastonia-Rock Hill	\$38,300	\$64,100	\$61,800	\$61,800	\$61,800	61.3%
Fayetteville	\$27,700	\$43,700	\$46,900	\$46,900	\$46,900	69.3%
Greensboro-Winston Salem-High Point	\$36,100	\$56,100	\$55,500	\$55,500	\$55,500	53.7%
Jacksonville	\$22,900	\$40,100	\$41,300	\$41,300	\$41,300	80.3%
Raleigh-Durham-Chapel Hill	\$41,900	\$71,300	\$69,800	\$69,800	\$69,800	66.6%

*year 2005 median family income estimates

Source: N.C. State Data Center, US Department of Housing and Urban Development, US Bureau of Census.

Raleigh Business Privilege Licenses

Year	# of Licenses	\$ Value of Licenses	Average Value per License
1998-1999	13,778	\$1,852,000	\$134
1999-2000	14,658	\$1,928,000	\$132
2000-2001	15,324	\$2,148,248	\$140
2001-2002	16,577	\$2,267,116	\$137
2002-2003	17,027	\$3,293,450	\$193
2003-2004	15,607	\$3,345,810	\$214
2004-2005	15,207	\$4,452,814	\$292

During FY 2004-2005 the number of business privilege licenses issued by the City of Raleigh decreased over the previous fiscal year because of business closures and non-renewal by owners. Nevertheless, the total dollar value of licenses increased along with the average dollar value per license. (The license fee is based on the type of business).

Source: City of Raleigh Finance Department

Local Tax Rates — 1997 to 2005

	1997	1998	1999	2000	2001	2002	2003	2004	2005
Angier	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.46	0.50
Apex	0.52	0.52	0.52	0.42	0.40	0.40	0.40	0.40	0.40
Cary	0.54	0.54	0.54	0.43	0.42	0.42	0.42	0.42	0.42
Fuquay-Varina	0.59	0.59	0.59	0.49	0.49	0.52	0.52	0.52	0.52
Garner	0.64	0.64	0.64	0.52	0.52	0.56	0.56	0.56	0.56
Holly Springs	0.62	0.62	0.62	0.53	0.53	0.53	0.53	0.53	0.53
Knightdale	0.52	0.52	0.53	0.44	0.44	0.46	0.48	0.50	0.50
Morrisville	0.60	0.60	0.60	0.47	0.47	0.47	0.47	0.47	0.4677
Raleigh	0.5375	0.525	0.525	0.385	0.385	0.385	0.385	0.395	0.395
Rolesville	0.55	0.55	0.62	0.485	0.485	0.485	0.485	0.485	0.485
Wake Forest	0.56	0.56	0.60	0.50	0.52	0.52	0.53	0.54	0.54
Wendell	0.59	0.59	0.59	0.54	0.54	0.54	0.54	0.54	0.54
Zebulon	0.525	0.525	0.525	0.46	0.46	0.48	0.48	0.48	0.49
Wake County	0.63	0.63	0.73	0.564	0.564	0.564	0.604	0.604	0.604

The 2000 tax rates were adjusted downward from the 1999 rate to offset the effects of the real property revaluation, which Wake County is required to do every eight years. The adopted tax rates are “revenue neutral”, so that revenues brought in by property taxes in a revaluation year would be the same as if a revaluation had not taken place. The combined City/County tax rate of City of Raleigh residents for FY 2004-05 is .999 per \$100 in value.

#12 Top Real Estate Market (Raleigh-Durham, NC)

Expansion Management, August 2005



Top Ten Best Budget Weekend City (Raleigh-Durham, NC)

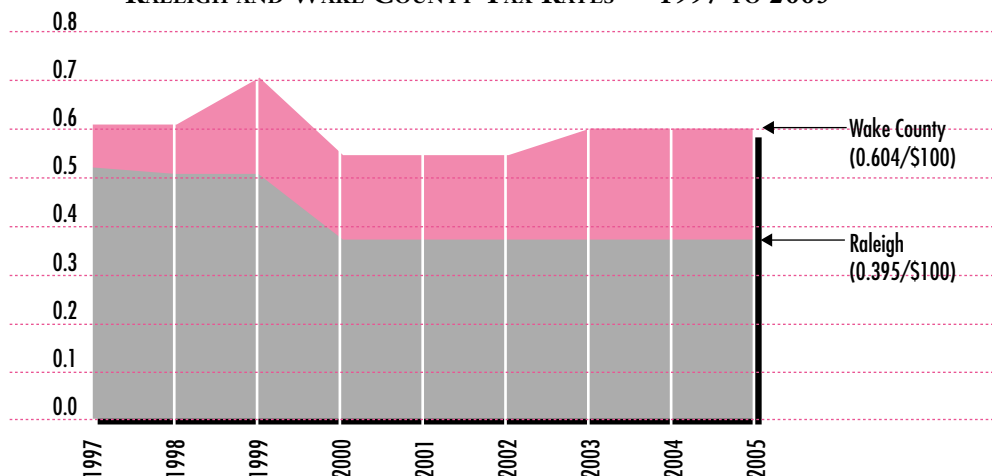
MSN City Guides, August 2005



Five-Star Business Opportunity Metro (Raleigh-Cary, NC)

Expansion Management, July 2005

RALEIGH AND WAKE COUNTY TAX RATES — 1997 TO 2005



As of January 1, 2005 the tax base of Wake County was over \$73.4 billion. The City of Raleigh's tax base of over \$31 billion is the largest of all municipalities in the County. Raleigh's tax base is 31 percent commercial/industrial and 69 percent residential. Zebulon and Morrisville had the highest percentage of commercial/industrial tax base at 67 percent and 43 percent, respectively.

*Includes business and residential personal property values for fiscal year 2004-2005 and real property values as of 1-1-2005.

2004-05 Wake County Tax Base Components by Municipality

	% Commercial	% Residential	Commercial Value*	Residential Value*	Total Value
Apex	19%	81%	\$481,136,831	\$2,117,866,692	\$2,599,003,523
Cary	27%	73%	3,209,590,956	8,879,120,139	12,169,711,095
Fuquay-Varina	37%	63%	385,164,088	658,724,663	1,043,888,751
Garner	39%	61%	762,052,215	1,183,436,868	1,945,489,083
Holly Springs	9%	91%	117,347,812	1,150,865,667	1,268,213,479
Knightdale	27%	73%	150,710,120	412,900,835	563,610,955
Morrisville	43%	57%	787,533,956	1,054,879,984	1,842,413,940
Raleigh	31%	69%	9,742,628,950	21,741,619,820	31,484,248,770
Rolesville	23%	77%	27,841,637	92,537,596	120,379,233
Wake Forest	23%	77%	382,132,779	1,286,018,582	1,650,151,361
Wendell	22%	78%	60,607,960	211,238,794	271,846,754
Zebulon	67%	33%	325,512,058	160,471,665	485,983,723
Wake County	39%	71%	21,264,787,000	52,179,135,267	73,443,922,267

Five Star Knowledge-Worker Metro
#7 Best Educated Workforce
#10 Top Metro for University R&D Spending
#7 Top Metro-Scientists and Engineers Per Capita

(Raleigh-Cary, NC)

Expansion Management, May 2005



Top Five Most Innovation-Entrepreneurial Regions
 (Raleigh, NC)

US Small Business Administration, April, 2005



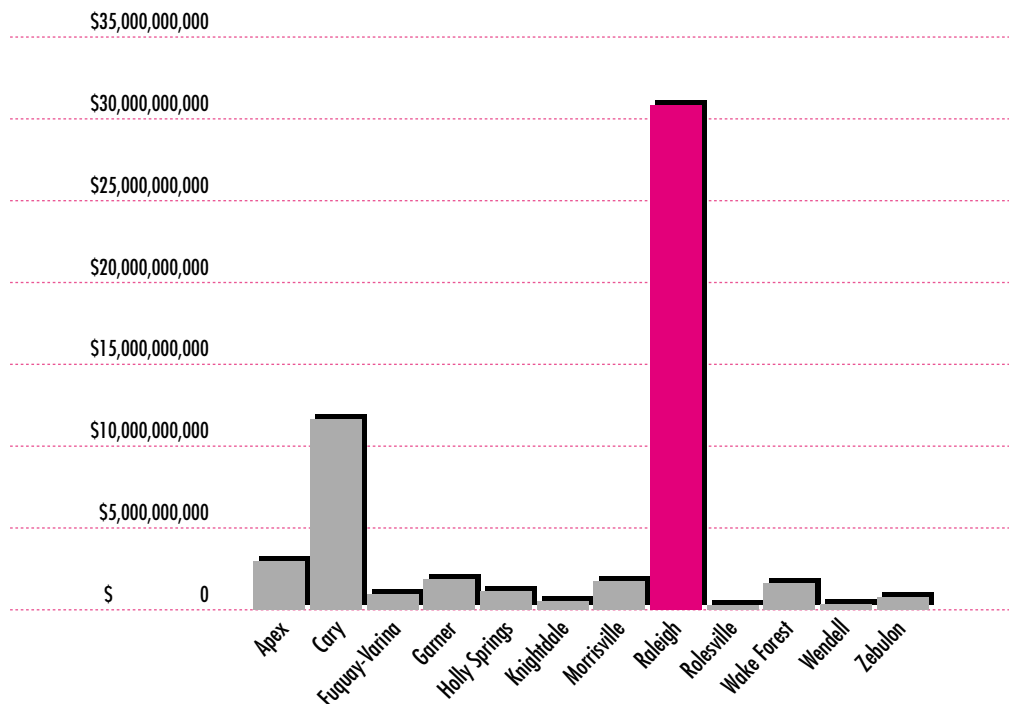
#2 Best Public Education System (Raleigh-Cary, NC)

Expansion Management, April 2005



#2 Schools that Rock (Raleigh/Durham/Chapel Hill)

Rolling Stone, July 2005

2004 - 2005 PROPERTY TAX BASE BY MUNICIPALITY


Source: Wake County Tax Assessor's Office.

ACCRA Cost of Living Index — First Quarter 2005

	100% Composite Index	Groceries Items	Housing	Utilities	Transportation	Health Care	Misc. Goods & Services
Asheville NC (<i>Asheville NC Metro</i>)	100.3	95.6	110.6	87.1	99.9	98.5	97.7
Charlotte NC (<i>Charlotte/Gastonia/ Concord NC/SC Metro</i>)	93.4	98	81.6	79.1	105.1	103.6	101.4
Fayetteville NC (<i>Fayetteville NC Metro</i>)	95.2	112.4	80.6	87.7	93.1	95.5	103.4
Goldsboro NC (<i>Goldsboro NC Metro</i>)	91.2	103.3	82.8	107	89.1	84.5	91
Hickory NC (<i>Hickory/Lenoir/Morganton NC Metro</i>)	97.7	98.7	97.6	91	87.9	103.6	101.1
Dare County NC (<i>Kill Devil Hills NC Micro</i>)	113.5	103.7	140.3	90.3	109.9	96.2	104.4
Kinston NC (<i>Kinston NC Micro</i>)	93.3	99.7	82.2	97.2	100.5	104.9	95.9
Raleigh NC (<i>Raleigh-Cary NC Metro</i>)	93.8	102.6	75.8	102.6	107.4	109.5	97.6
Wilmington NC (<i>Wilmington NC Metro</i>)	99.4	104.7	94.4	97.3	102	100.9	101.4
Winston-Salem NC (<i>Winston-Salem NC Metro</i>)	90.8	98.4	80.7	88.2	91.8	101.5	95.6

Each quarter ACCRA (American Chamber of Commerce Researcher's Association) collects data and publishes cost of living information for participating Metro-Micro Urban Areas in the United States. To determine overall cost of living, the relative affordability of certain items (groceries, housing, utilities, transportation, health care, and miscellaneous goods and services) are indexed and a composite figure is calculated and then compared to the national average of 100. (Since the index does not measure inflation and each quarterly report is a "snap shot" of a single point in time, index data from different quarters should not be compared.)

For the first quarter of 2005, Raleigh had a Composite Index of 93.8, with a high individual index of 109.5 for health care and a low individual index of 75.8 for housing.

Source: ACCRA, 1st quarter 2005.



Construction of the Worthdale Gym addition, which was completed in 2004, included expansion to a full-size gymnasium and other improvements such as outdoor basketball courts and lighting.

**Apartment & Housing Prices
First Quarter 2005**

	Apartment Rent	Home Price
Asheville	\$769	\$317,200
Charlotte	\$665	\$218,550
Dare County	n/a	\$391,250
Fayetteville	\$653	\$215,667
Greenville	\$615	\$247,000
Hickory	\$704	\$275,700
Kinston	n/a	\$227,734
Marion-McDowell County NC	n/a	\$270,000
Raleigh	\$625	\$208,174
Wilmington	\$690	\$266,714
Winston-Salem	\$625	\$226,960

During the first quarter of 2005, Asheville had the highest average apartment rent (\$769 per month) in North Carolina. Hickory had the second highest (\$704 per month). For NC's largest cities, Raleigh had the lowest average sales price for existing and new homes during the first quarter of 2005 at \$208,174. Dare County has the highest home price at \$391,250.

Source: ACCRA, 1st quarter 2005.

By activity type, the Trade, Transportation and Utilities, Professional & Business Services and Education & Health Services Sectors comprise over 55 percent of Wake County's total insured employment. The dominance of these three sectors contribute to the county's overall economic stability. By ownership type, 18.8% of employment in Wake county is government versus 81.2% of employment in private industry.

"*" in table indicates disclosure suppression

Source: Employment Security Commission, "Employment and Wages in North Carolina"

#4 Best City for Singles (Raleigh-Durham, NC)

Forbes, July 2005



Top 20 Business Opportunity Metro (Raleigh-Cary, NC)

Expansion Management, July 2005



#5 Knowledgeable Workforce (Raleigh-Cary, NC)

Expansion Management, July 2005



#1 Fastest Growing Life Science Workforce #5 Overall Life Science Cluster

Milken Institute, June 2005



#17 Healthiest City (Raleigh-Durham-Chapel Hill, NC)

Sperlings Bert Places, June 2005

Residents enjoy the new playground facility at Baileywick park which was part of the site improvements plan. A community center, basketball and tennis courts will be included in future development.

Employment by (Primary Economic Activity) Sector in Wake County

Sectors	2001	2002	2003	2004	% of total
Natural Resources & Mining	1,722	2,225	1,908	1,309	0.34%
Construction	29,047	27,605	26,670	28,298	7.25%
Manufacturing	27,018	24,020	22,217	21,499	5.50%
Goods-producing Domain	57,787	53,850	50,795	51,106	13.09%
Trade, Transportation & Utilities	80,037	76,155	76,184	78,377	20.07%
Information	17,733	17,434	16,989	16,595	4.25%
Financial Activities	20,773	22,101	20,879	22,452	5.75%
Professional & Business Services	68,192	64,967	66,688	67,264	17.22%
Education & Health Services	63,616	65,069	66,987	69,656	17.84%
Leisure & Hospitality	35,339	35,575	36,120	35,961	9.21%
Other Services	12,604	12,214	12,327	12,960	3.32%
Public Administration	32,406	32,676	33,331	35,016	8.97%
Unclassified	*	352	784	1,182	.30%
Service-providing Domain	330,700	326,543	330,289	339,463	86.91%
Total	388,487	380,393	381,084	390,569	100%

Employment by Ownership Type in Wake County

Government (Local, State, Federal)	68,658	69,127	70,567	73,431	18.80%
Private Industry	319,803	312,261	310,487	317,080	18.20%
Total	388,487	380,388	381,054	390,511	100%

Raleigh's unemployment has consistently been lower than the North Carolina and national rates. For the first seven months of 2005 Raleigh's unemployment rate was slightly lower than the year-end unemployment rate total for 2004. Unemployment rates in the MSA, Wake County, and State are slightly higher than year-end unemployment rate totals for 2004.

Source: Employment Security Commission, Labor Market Information.

Average Annual Unemployment Rates 1995-2005

	2000	2001	2002	2003	2004	July 2005
Raleigh	1.8%	3.4%	5.3%	5.2%	4.7%	4.4%
Wake County	1.5%	3.3%	5.3%	4.7%	3.6%	4.5%
Raleigh MSA	1.8%	3.3%	5.1%	4.7%	4.3%	4.6%
North Carolina	3.6%	5.5%	6.7%	6.5%	5.5%	5.7%
United States	4.0%	4.7%	5.8%	6.0%	5.5%	5.2%



Year	New Companies in Wake County			Expanded Companies in Wake Co.		
	# of New Companies	\$ Investment in New Companies	Projected Employee Increase in New Companies	# of New Expansions	\$ Investment in Expanding Companies	Projected Employee Increase in Expansions
2000	26	\$57,900,000	464	51	\$1,161,332,000	4,688
2001	20	\$28,000,000	653	35	\$143,000,000	1,437
2002	36	\$196,160,000	1,143	33	\$305,125,905	874
2003	12	\$27,750,000	585	41	\$182,231,000	1,854
2004	25	\$115,050,000	1,417	15	\$54,900,000	463
2005*	5	n/a	617	21	\$186,965,240	1,179

NEW AND EXPANDED COMPANIES IN WAKE COUNTY — 1ST THROUGH 3RD QUARTERS, 2005*

In the 1st through 3rd quarter of 2005, 26 major companies announced either new operations or expansions of present operations in Wake County with an announced estimated dollar investment of over \$186 million. This represents an estimated 1,796 new jobs added to the workforce in Wake County. Five new companies have announced new operations with a projected employment of 617 persons in Wake County. During this same time period there were 21 expansions announced in Wake County with a projected employment of 1,179.

Source: Greater Raleigh Chamber of Commerce.

NEW COMPANIES IN WAKE COUNTY — 1/05-9/05

*companies in bold type are located in Raleigh

Arysta Life Science
First Charter Corporation
M. Adler's and Sons
RBC Centura
Ship on Site

EXPANDING COMPANIES IN WAKE COUNTY — 1/05-9/05

AMCO Automated Systems
BAX Global
BioDelivery Sciences International Inc. (BDSI)
BuildLinks
Capital Chrysler Dodge Jeep

Carrier
Channel Advisor
Cornerstone BioPharma
Dillion Supply Company
Ericsson
Gentris Corporation
GlaxoSmithKlein
HydroFlo Inc.

MicroMass Communications

Nomacorc

Peak 10 Inc.

Tekelec

WakeMed/Cary Campus

WakeMed North Healthplex/
Physicians Office

Wake Med/Raleigh Campus

Warp-Tech

Source: Greater Raleigh Chamber of Commerce.



Scheduled to open in the fall of 2006, the new Brier Creek School Park will include a community center with gymnasium, art classrooms, fitness room and more. Other site elements to be included are a picnic shelter, tot lot, two open play fields, paved trails and restrooms.

Municipal Services Comparison FY 2005-06

	Annual Solid Waste Fee	Annual Water & Sewer Fee	Annual Fee & Tax total
Apex	\$150.96	\$656.40	\$1,607.36
Cary	\$141.00	\$625.56	\$1,606.56
Fuquay-Varina	\$162.00	\$655.20	\$1,857.20
Garner	\$0.00	\$652.56	\$1,772.56
Holly Springs	\$156.00	\$708.00	\$1,924.00
Knightdale	\$127.08	\$701.76	\$1,828.84
Morrisville	\$0.00	\$826.32	\$1,761.72
Raleigh	\$99.60	\$327.18	\$1,264.78
Rolesville	\$117.00	\$811.92	\$1,898.92
Wake Forest	\$176.04	\$749.52	\$2,005.56
Wendell	\$240.00	\$799.20	\$2,119.20
Zebulon	\$144.00	\$959.64	\$2,083.64
Chapel Hill	\$0.00	\$730.44	\$1,813.44
Durham*	\$60.00	\$463.92	\$1,695.32
Charlotte	\$45.00	\$424.56	\$1,367.28
Winston Salem	\$0.00	\$281.64	\$1,300.64
Greensboro	\$0.00	\$491.52	\$1,658.92
Carrboro	\$0.00	\$730.44	\$1,979.24

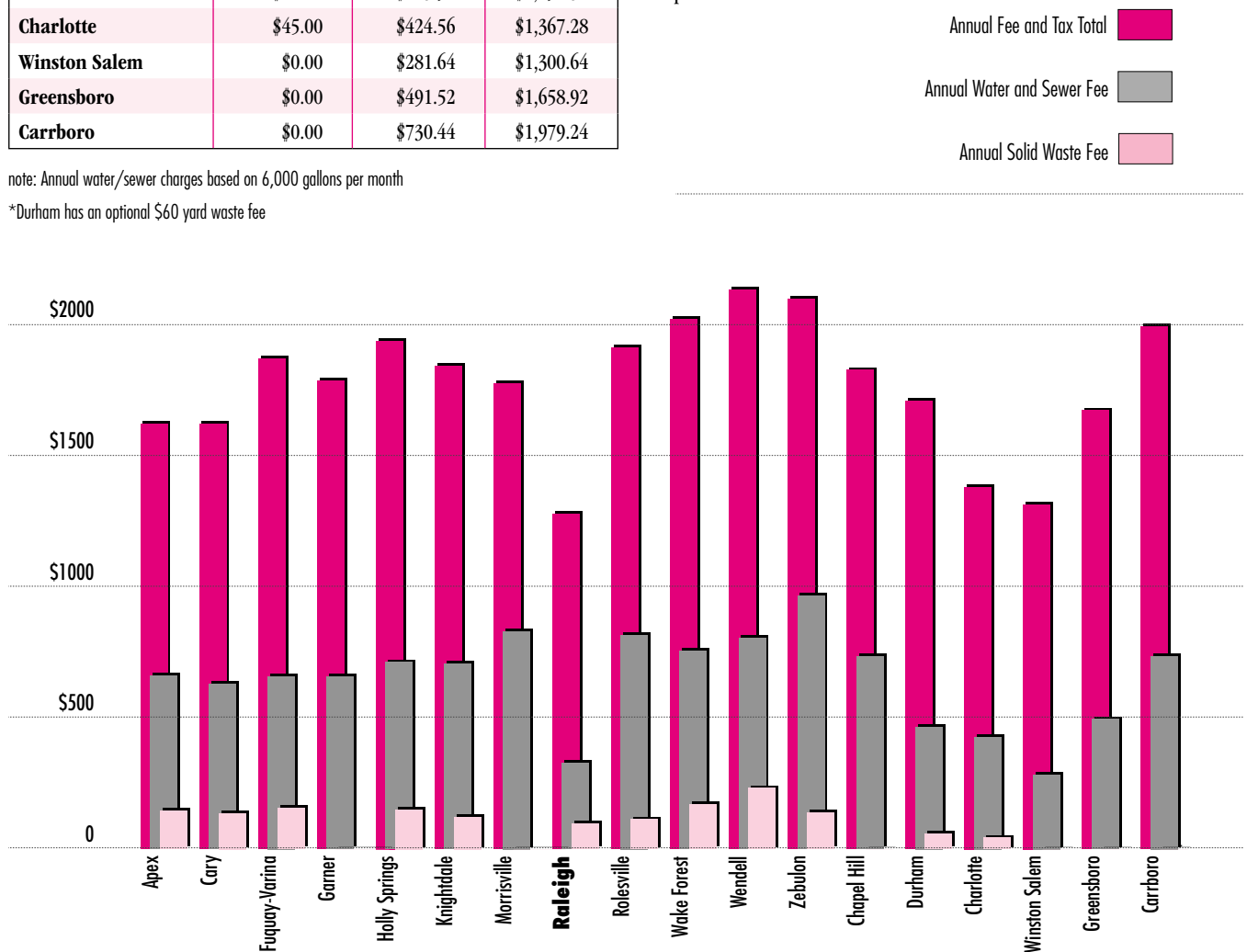
note: Annual water/sewer charges based on 6,000 gallons per month

*Durham has an optional \$60 yard waste fee

Pictured is a segment of the Middle Crabtree Creek Trail greenway running from Raleigh Boulevard to Anderson Drive.

**FY 2005 - 2006 COMPARITIVE COSTS OF MUNICIPAL SERVICES BY MUNICIPALITY**

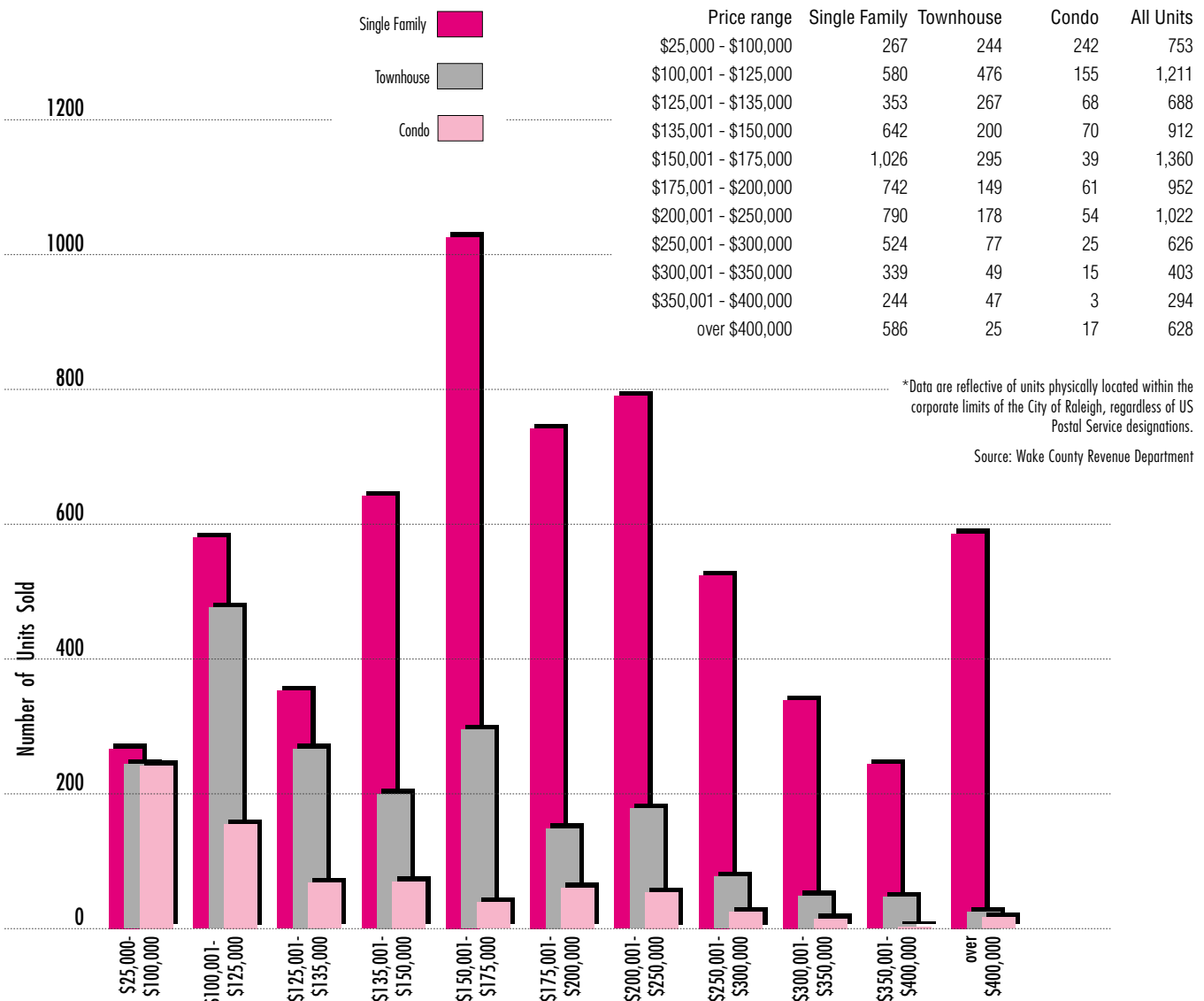
The annual total cost for City of Raleigh municipal services is one of the lowest in the state compared to municipal services annual totals in comparable-sized North Carolina cities.



Median Sales Price by unit type — City of Raleigh

	2003 Median Sales Price	2004 Median Sales Price	2003 Total Units	2004 Total Units	2003 Total Units sold	2004 Total Units sold	2003 % Total Units	2004 % Total Units
Detached	\$172,000	\$179,000	65,504	67,568	5,623	6,123	8.58%	9.06%
Townhouse	\$134,000	\$137,000	13,662	14,647	1,890	2,055	13.83%	14.03%
Condo	\$119,000	\$122,500	7,060	7,303	806	783	11.42%	10.72%

The median sales price for detached units in the city of Raleigh in calendar year 2004 was \$179,000, up from \$172,000 in calendar year 2003. The median sales price for townhouse and condominium units were also up in calendar year 2004, to \$137,500 and \$122,000 respectively, an increase of \$3,500 in each category from calendar year 2003.

RALEIGH RESIDENTIAL SALES BY PRICE RANGE & TYPE OF UNIT - CALENDAR YEAR 2004*

Raleigh Building Activity — Number of Residential Permits Issued 1995-6/30/2005

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	thru 6/30 2005
Single Family	1,763	2,094	2,197	2,346	2,763	2,243	2,700	2,901	2,621	3,017	1,428
Townhouse	248	214	320	644	992	1,067	1,342	1,188	1,168	1,649	772
2 Family	1	59	11	24	7	4	9	102	113	74	46
3 & 4 Family	0	0	1	0	0	0	3	21	14	3	2
Condominium	36	74	56	225	280	56	13	44	70	18	11
Apartment	102	93	28	108	169	168	131	24	77	36	22
Total	2,188	2,516	2,782	3,402	3,785	3,495	4,216	4,236	4,011	4,796	2,281

During the first six months of 2005, 2,281 residential permits were issued by the City of Raleigh. Of these permits, 63% were single family, 34% townhouse, 2% two-family, and less than 1% were apartment, condominium and 3 & 4 family units.

Raleigh Building Activity — Number of Dwelling Units Permitted 1995-6/30/2005

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	thru 6/30 2005
Single Family	1,763	2,094	2,197	2,346	2,763	2,243	2,700	2,901	2,621	3,021	1431
Townhouse	248	214	320	644	992	1,067	1,342	1,188	1,168	1,642	820
2 Family	2	60	19	46	14	8	98	204	226	89	54
3 & 4 Family	0	0	2	0	0	0	32	78	49	11	6
Condominium	74	63	223	267	355	166	207	412	181	235	110
Apartment	1,530	1,269	374	1,077	2,356	3,311	2,817	453	1,610	1,266	167
Total	3,617	3,700	3,135	4,380	6,480	6,795	7,196	5,166	5,855	6,264	2588

During the first six months of 2005, 2,281 residential permits were issued by the City of Raleigh representing 2,588 dwelling units. Of these permits, 55% were single-family, 32% townhouses, 6% apartments, 4% condominium, 2% two-family, and less than 1% 3 & 4 family units.

Source: City of Raleigh Planning and Inspections Departments.



There was a 47 percent (9,964 units) increase in the number of total units permitted between calendar years 2000 and 2004 compared to the previous five calendar year period from 1995 to 1999. There were 21,312 total units permitted from years 1995 to 1999 compared to 31,276 total units permitted from years 2000 to 2004.

The overall number of Townhome units permitted from calendar years 2000 to 2004 was up from the previous five calendar year period 1995 to 1999. From years 2000 to 2004, 20 percent or 6,337 townhome units were permitted compared to years 1995 through 1999 where 11 percent or 2,418 townhome units were permitted.

The number of apartment units permitted over the past nine years has remained steady at approximately 30 percent.

The community enjoys the recently completed gymnasium facility at Worthdale Park.

Raleigh and ETJ New Non-Residential Building Activity 2003-6/2005

	# Permits 2003	# Permits 2004	# Permits 6/2005	Sq. feet 2003	Sq. feet 2004	Sq. feet 6/2005	Value 2003	Value 2004	Value 6/2005
Office	27	59	25	1,102,102	820,422	1,072,608	\$54,302,393	\$103,100,464	\$69,081,748
Industrial	39	25	5	439,972	453,768	129,950	\$46,367,116	\$12,942,12	\$7,827,900
Institutional	27	60	50	537,328	765,197	376,803	\$30,014,444	\$65,783,506	\$22,584,866
Commercial	94	58	18	2,025,417	846,537	200,155	\$102,862,148	\$49,843,500	\$14,171,587
Other*	95	92	34	799,306	342,836	140,603	\$21,158,139	\$9,458,701	\$7,686,440
Total	282	294	132	4,904,125	3,228,760	1,920,119	\$254,704,240	\$241,128,293	\$121,352,541

For the first six months of 2005 there were 132 new non-residential permits issued in the City of Raleigh totalling 1,920,119 square feet with a value of \$121,352,541. From calendar year 2003-2004, the number of new non-residential building permits issued in the Raleigh Planning Jurisdiction increased by 4.3 percent. While dollar value of permits issued in the Industrial, Institutional

and Commercial sectors decreased from 2003 to 2004, the office category dollar amount increased considerably.

Source: City of Raleigh Planning and Inspections Departments. Figures do not include alterations or fit-ups.

* Other includes parking garages, out-buildings, cell towers, etc.

**TOTAL VALUE OF CONSTRUCTION AUTHORIZED —
1995 TO 6/30/2005**

The total value of construction authorized in the City of Raleigh is derived from the value of building permits for new residential construction, new commercial construction (private and publicly-owned), residential and commercial alterations & additions, and other (such as demolitions). During the first six months of calendar year 2005, over \$774 million in total construction was authorized in Raleigh.

Source: City of Raleigh Inspections Department

Year	Value
1995	\$584,350,591
1996	\$639,347,051
1997	\$742,865,773
1998	\$884,444,844
1999	\$1,161,501,578
2000	\$1,187,362,277
2001	\$1,301,590,138
2002	\$1,001,613,936
2003	\$1,191,743,536
2004	\$1,319,440,632
6/2005	\$774,208,347



The Peach Road neighborhood center opened in March 2005. It contains an office for staff, classrooms, community rooms and more. The front page picture shows activities underway at the Peach Road Neighborhood Center.

RALEIGH GROWTH & DEVELOPMENT — FALL/WINTER, 2005-06

The Growth and Development Report is prepared by the City of Raleigh Planning Department twice each year. Suggestions and questions on format or contents of this report are welcomed.

PREPARED BY THE CITY OF RALEIGH PLANNING DEPARTMENT

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(continued from p.1)

- Honeycutt Park – Construction is underway and includes a large multipurpose field, restroom/shelter building, parking facilities, basketball court, volleyball court, play area, and a greenway trail that will connect to the Honeycutt Creek Trail.

Park projects in planning and design:

- Sanderford Road Neighborhood Center is planned for construction in this southeast Raleigh park.
- Walnut Creek Wetland Center – This environmental education center will focus on wetlands and wetland habitat.
- Horseshoe Farm Park – Master planning is underway for this 146 acre Community Park situated on an oxbow of the Neuse River in northeastern Wake County.
- Forest Ridge Park – Master planning is underway for this 586-acre Metro Park situated on the northeast shore of Falls Lake.
- Leesville Road Park – Master planning for a Community Park and a possible library is about to begin for this 55 acre site located in northwestern Wake County.
- Green Road Gym Addition will double the facility's capacity and accommodate the current demand.
- Chavis Park Improvements include outdoor basketball courts, picnic area, and rehabilitation and potential relocation of the historic carousel.
- Pullen Park improvements are planned for the playground, boat ride, carousel, and Lake Howell.

Neighborhood School Parks under construction:

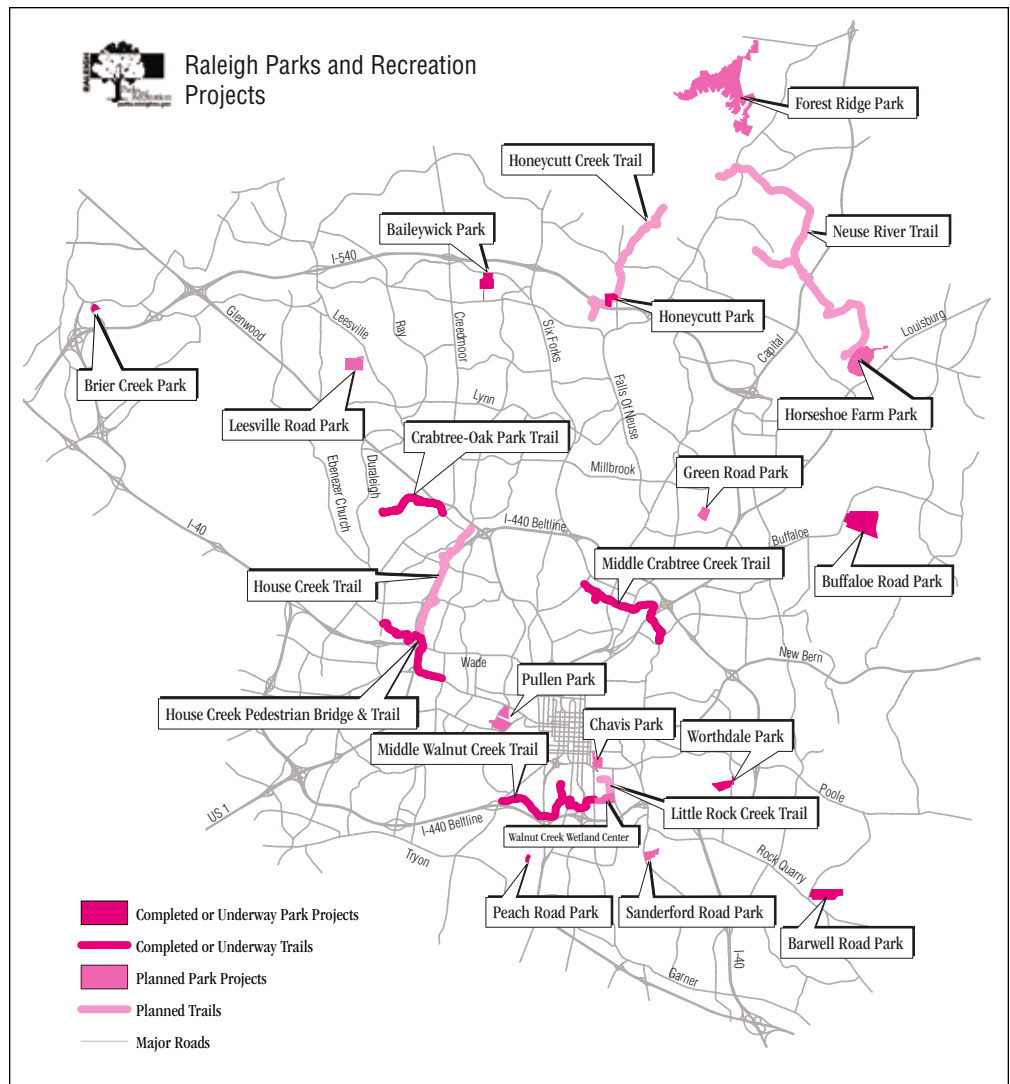
A partnership between the City of Raleigh and the Wake County Public School System, these joint use facilities provide neighborhood recreation in areas where available land for new parks and schools is in short supply.

- Brier Creek School Park – This new school, scheduled to open in the fall of 2006, will include a community center with a full-size gymnasium, art classrooms, a multipurpose classroom, and a fitness room. Site elements include two open play fields, a tot lot, picnic shelter, paved trails, parking and restrooms.
- Barwell Road School Park – Scheduled to open in the fall of 2006, this new school will include a full community center and an elementary school.

Greenway trail planning and development:

The Capital Area Greenway is a network of more than 50 miles of interconnected paved and unpaved public recreation trails located along rivers, creeks, and streams that provide for activities such as walking, jogging, hiking, fishing, picnicking and outdoor fun. These trails provide important transportation alternatives while enhancing quality of life for citizens. Recent development includes:

- House Creek Pedestrian Bridge and Trail – New greenway trail and bridge over I-440 connecting the NC Museum of Art and Meredith College.



- Crabtree Creek / Oak Park Trail – 1.5 miles of new trail from Crabtree Valley Mall west to near Duraleigh Road.
- Middle Crabtree Creek Trail – Acquisition and development of the greenway segment from Anderson Drive to Raleigh Boulevard.

An additional 19 miles of trails are planned for development including:

- Middle Walnut Creek – Greenway trail will be constructed from Garner Road to Lake Wheeler Road.
- Upper Neuse River Greenway – Nearly 8 miles of new greenway trails are being planned to connect Falls of Neuse Road to Perry Creek Road
- House Creek Greenway – Trail to connect the Crabtree Creek Trail near Crabtree Valley Mall to Meredith College Campus/NC Art Museum Bridge.
- Honeycutt Creek Greenway – This 3 mile segment will connect from Long Street to Raven Ridge Road (Falls Lake South Shore Trail).
- Little Rock Creek Greenway – Just under half a mile, this segment of greenway will connect the existing Little Rock Trail from McMaconn Street south to Walnut Creek (site of future Wetland Creek Interpretive Center).

The continued commitment of City government and citizens to park and greenway development projects such as these will continue to support the growing population of Raleigh and surrounding municipalities while enhancing the city's livability for many years to come.